

RESOLUTION 50-94

RESOLUTION AUTHORIZING AND PROVIDING FOR THE EXECUTION, ISSUANCE AND SALE OF \$2,000,000 AGGREGATE PRINCIPAL AMOUNT OF KAYENTA UNIFIED SCHOOL DISTRICT NO. 27 OF NAVAJO COUNTY, ARIZONA, SCHOOL IMPROVEMENT BONDS, PROJECT OF 1992, SERIES B (1994); PROVIDING CERTAIN TERMS, COVENANTS AND CONDITIONS CONCERNING THE BONDS; PROVIDING FOR CERTIFICATES OF OWNERSHIP OF "B" SUPPLEMENTAL INTEREST PAYMENTS; PROVIDING THE FORM OF BONDS AND CERTIFICATES; PROVIDING FOR THE DISPOSITION OF THE PROCEEDS OF SUCH BONDS AND CERTIFICATES; PROVIDING FOR THE ANNUAL LEVY OF A TAX FOR THE PAYMENT OF THE BONDS AND CERTIFICATES; ACCEPTING A PROPOSAL FOR THE PURCHASE OF THE BONDS AND CERTIFICATES; APPOINTING A REGISTRAR, TRANSFER AGENT AND PAYING AGENT WITH RESPECT TO THE BONDS AND CERTIFICATES; APPROVING THE FORM OF CONTRACT FOR SUCH REGISTRAR, TRANSFER AGENT AND PAYING AGENT AND AUTHORIZING EXECUTION AND DELIVERY THEREOF; MAKING CERTAIN TAX COVENANTS; APPROVING A FEE PAYMENT AGREEMENT FOR PAYMENT TO THE COUNTY TREASURER OF THE FEES AND COSTS OF THE REGISTRAR, TRANSFER AGENT AND PAYING AGENT AND ARBITRAGE CONSULTANTS; AND AUTHORIZING EXECUTION AND DELIVERY THEREOF; ACCEPTING A PROPOSAL FOR THE BONDS AND CERTIFICATES; APPROVING A BOND PURCHASE AGREEMENT AND AUTHORIZING EXECUTION AND DELIVERY THEREOF; RATIFYING ALL ACTIONS TAKEN WITH RESPECT TO THE BONDS AND CERTIFICATES AND THE PREPARATION AND DISSEMINATION OF A PRELIMINARY OFFICIAL STATEMENT; APPROVING A FORM OF OFFICIAL STATEMENT; AUTHORIZING EXECUTION OF THE OFFICIAL STATEMENT; AND AUTHORIZING CIRCULATION OF THE OFFICIAL STATEMENT.

WHEREAS, by the vote of a majority of the qualified electors of Kayenta Unified School District No. 27 of Navajo County, Arizona (the "District"), voting at a special bond election held in and for the District on November 3, 1992, the issuance of School Improvement Bonds of the District has been authorized; and

WHEREAS, the Governing Board intends to issue bonds in the aggregate principal amount of \$2,000,000 for the purpose of making school improvements in accordance with the authority granted at the special bond election held in and for the District on November 3, 1992; and

WHEREAS, pursuant to the request of the Governing Board of the District, \$2,000,000 aggregate principal amount of such Bonds and \$180,000 of certificates of supplemental interest thereon are to be issued and sold at this time; and

WHEREAS, the Governing Board of the District has received a bid from Peacock, Hislop, Staley & Given, Inc. (the "Underwriter") and said District requested that the Bonds and certificates of supplemental interest thereon be sold through negotiation to the Underwriter; and

WHEREAS, by this resolution this Board will approve a bond purchase agreement (the "Purchase Agreement") to be entered into among the District, the County and the Underwriter for the sale of the Bonds and Certificates of Ownership of "B" Supplemental Interest Payments (as defined hereafter) appertaining to such Bonds to the Underwriter; and

WHEREAS, by this resolution this Board will authorize the execution, issuance and sale of such Bonds and Certificates of Ownership of "B" Supplemental Interest Payments with respect to such Bonds to the Underwriter in accordance with the Purchase Agreement;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF NAVAJO COUNTY, ARIZONA, AS FOLLOWS:

Section 1. Authorization. This Board hereby authorizes to be issued and sold a series of bonds in an aggregate principal amount of \$2,000,000. The bonds so authorized shall be designated Kayenta Unified School District No. 27 of Navajo County, Arizona, School Improvement Bonds, Project of 1992, Series B (1994) (the "Bonds"), and shall be issued and sold in accordance with the provisions of this resolution and delivered against payment therefor by the Underwriter.

The Bonds constitute current interest bonds and mature on July 1 in each of the years 1996 and 1997, on the dates and in the principal amounts set forth below:

Maturity Date (July 1)	Principal Amount	Interest Rate
1996	\$ 600,000	5.00%
1997	1,400,000	5.25%

Section 2. Terms. The Bonds will be dated October 1, 1994, and will bear interest from their date to the maturity or redemption of each of the Bonds at the interest rates set forth above (excluding supplemental interest) and principal payable at each interest or principal payment date set forth above.

The Bonds shall also bear supplemental interest which shall be payable to persons who are the registered owners of the detached Certificates of Ownership of "B" Supplemental Interest Payments. Ownership of the supplemental interest payments shall be

evidenced by Certificates of Ownership of "B" Supplemental Interest Payments in the form set forth in Exhibit B attached hereto (the "Certificates"). Interest payments to the registered owners of the Certificates are hereby designated as "B" supplemental interest payments. For purposes of any disclosure document interest payable to the registered owners of the appertaining Bonds may be designated as "A" interest and supplemental interest payments may be designated "B" interest. The Bond registrar's registration books shall show the ownership of the Bonds; and also show on a separate register the Owners of the Certificates.

The Certificates shall be paid on the dates and in the amounts set forth below. The supplemental interest represents interest on the Bonds commencing on the January 1 or July 1, as applicable, immediately preceding the specified payment date and ending on the day immediately prior to the specified payment date, at the interest rates set forth below:

<u>Payment Date</u>	<u>Amount Payable</u>	<u>Approximate Annualized Interest Rate</u>	<u>Price</u>
January 1, 1996	\$90,000	9.0%	94.323%
July 1, 1996	90,000	9.0%	91.646%

Both the Bonds and the Certificates will be administered by the Registrar in a manner which assures against double issuance and provides a system of transfer of ownership on the books of the Registrar in the manner set forth in the Bonds and the Certificates. Interest on the Bonds (other than supplemental interest payments which shall be paid as set forth above) shall be payable semiannually on each January 1 and July 1 (each an Interest Payment Date) during the term of the Bonds, commencing July 1, 1995.

Interest on the Bonds (other than supplemental interest represented by the Certificates) will be paid on each Interest Payment Date by check mailed to the registered owner thereof at such owner's address all shown on the registration books maintained by the bond registrar, initially, Bank One, Arizona, NA, having its principal corporate trust office in Phoenix, Arizona (the "Bond Registrar") as of the close of business of the Bond Registrar on the fifteenth (15th) day of the month preceding an Interest Payment Date (the "Record Date").

Principal of the Bonds and supplemental interest represented by the Certificates will be payable, when due, only upon presentation and surrender of the Bond or Certificate at the principal corporate trust office of the Bond Registrar.

The Bonds are to be issued in the denomination of \$5,000 each or integral multiples thereof. The Certificates are to be issued in the denomination of \$1,000 each or integral multiples thereof. The Bonds and the Certificates shall be issued in fully registered form.

The Bonds and the Certificates shall have such other terms and provisions as are set forth in Exhibits A and B hereto.

Section 3. No Prior Redemption. The Bonds are not subject to redemption prior to their stated maturity. The Certificates may not be redeemed in advance of the stated respective certificate payment date.

Section 4. Security. For the purpose of paying the principal of, interest on, premium (if any) on early redemption and costs of administration of the registration and payment of the Bonds, including interest represented by the Certificates, there shall be levied on all the taxable property in the District a continuing, direct, annual, ad valorem tax sufficient to pay all such principal, interest, premium and administration costs as the same becomes due, such taxes to be levied, assessed and collected at the same time and in the same manner as other taxes are levied, assessed and collected. The proceeds of the taxes shall be kept in a special fund entitled the Debt Service Fund of the District and shall be used only for the payment of principal, interest, premium (if any) or costs as above-stated.

Section 5. Use of Proceeds. Upon the delivery of and payment for the Bonds in accordance with the terms of their sale, the net proceeds from the sale of the Bonds, after payment of the expenses of issuance, shall be set aside and deposited by the County Treasurer in a separate fund entitled the Building Fund of the District. This resolution shall be construed as consent of the Board of Supervisors to invest such funds, pending use, in any of the securities allowed by A.R.S. § 15-1025. The proceeds of the Bonds shall be expended only for the purpose set forth in the ballot used at the special bond election wherein issuance of the Bonds was approved.

Any premium (including proceeds generated from the sale of the Certificates) remaining after the payment of costs of issuance allocable to the Bonds shall be transferred to the Debt Service Fund.

Section 6. Form of Bonds and Certificates. Pursuant to A.R.S. § 35-491, a fully registered bond form is adopted as an alternative to the form of bond provided in A.R.S. § 15-1023. A registrar and paying agent will be appointed for the administration of the Bonds and the Certificates. The Bonds and the Certificates shall be in substantially the forms of Exhibit A and B, attached hereto and incorporated by reference herein, with such necessary and appropriate omissions, insertions and variations as are permitted or required hereby or by the Purchase Agreement and are approved by those officers executing the Bonds and such Certificates; execution thereof by such officers shall constitute conclusive evidence of such approval.

The Bonds and such Certificates may have notations, legends or endorsements required by law, securities exchange rule or usage. Each Bond shall show both the date of the issue and the date of such Bond's authentication and registration.

The Bonds and such Certificates are prohibited from being converted to coupon or bearer form without the consent of the Board of Supervisors and approval of bond counsel.

Section 7. Execution of Bonds and Other Documents.

A. The Bonds and Certificates shall be executed for and on behalf of the District by its President and attested by its Clerk and countersigned by the Chairman of the Board of Supervisors of this County by their manual or facsimile signatures. The Chairman is authorized to execute and deliver a final official statement to be used in connection with the sale of the Bonds and Certificates. If an officer whose signature is on a Bond or a Certificate no longer holds that office at the time the Bond or Certificates is authenticated and registered, such Bond or Certificate shall nevertheless be valid.

Neither a Bond nor a Certificate shall be valid or binding until authenticated by the manual signature of an authorized representative of the registrar. The signature of the authorized representative of the registrar shall be conclusive evidence that such Bond or Certificate has been authenticated and issued pursuant to this resolution.

B. This Board approves the form and orders and directs the execution of the following contracts and agreements, each in substantially the form on file with the Clerk of this Board:

- (1) The Registrar's Fee Payment Agreement;
- (2) The Registrar, Transfer Agent and Paying Agent's Agreement;
- and
- (3) The Bond Purchase Agreement.

The Chairman or Treasurer, as applicable, are authorized to execute such contracts on behalf of the District and the County, with such necessary and appropriate omissions, insertions and variations as are permitted or required hereby and are approved by those officers executing the documents. Execution by such officers shall constitute conclusive evidence of such approval and cause each respective contract to be delivered. The Clerk is authorized to attest such signatures. Where applicable, any of the foregoing officers may affix their signatures by manual, mechanical or photographic means.

C. The Chairman and the Treasurer, in conjunction with the authorized officers of the District, are authorized to cause the final official statement to be executed and delivered in connection with the sale of the Bonds and Certificates.

Section 8. Mutilated, Lost or Destroyed Bonds or Certificates. In case any Bond or Certificate becomes mutilated or destroyed or lost, the District shall cause to be executed and delivered a new Bond or Certificate of like date and tenor in exchange and substitution for and upon the cancellation of the mutilated Bond or Certificate or in lieu of and in substitution for the Bond or Certificate destroyed or lost, upon the owner's paying the reasonable expenses and charges of the District in connection therewith and, in the case of the Bond or Certificate destroyed or lost, filing with the County Treasurer by evidence satisfactory to the Treasurer that such Bond or Certificate was destroyed or lost, and

furnishing the County Treasurer with a sufficient indemnity bond pursuant to § 47-8405, Arizona Revised Statutes.

Section 9. Acceptance of Offer; Sale of Bonds and Certificates; Purchase Agreement Approval. The offer of the Underwriter for the purchase of the Bonds and the Certificates is contained in the Bond Purchase Agreement submitted to and on file with the Clerk of this Board and such offer is accepted. The Bonds and Certificates are ordered sold to the Underwriter pursuant to the Bond Purchase Agreement.

The County Treasurer is hereby authorized and directed to cause the Bonds and Certificates to be delivered to or upon the order of the Underwriter upon receipt of payment therefor and satisfaction of the other conditions for delivery thereof in accordance with the terms of the sale.

Section 10. Official Statement. The distribution by the Underwriter of a Preliminary Official Statement dated October 3, 1994 (the "Preliminary Official Statement"), to prospective investors is hereby ratified, confirmed and approved. The use and distribution by the Underwriter of the final Official Statement dated October 11, 1994 (the "Official Statement") in connection with the offering and sale of the Bonds and Certificates is hereby approved and authorized. Such Official Statement shall be in substantially the form of the Preliminary Official Statement presented to this meeting with such changes or amendments as approved by the persons signing such Official Statement. The Official Statement is deemed to be final by this Board, based upon representations of the Governing Board of the District.

Section 11. Registrar. The District will maintain an office or agency where Bonds and Certificates may be presented for registration or transfer (the "Registrar") and an office or agency where Bonds may be presented for payment (the "Paying Agent"). The District may appoint one or more co-registrars or one or more additional Paying Agents. The Registrar and Paying Agent may make reasonable rules and set reasonable requirements for their respective functions with respect to the owners of the Bonds and Certificates.

Initially, Bank One, Arizona, NA, Phoenix, Arizona, is appointed to act as Registrar and Paying Agent with respect to the Bonds and Certificates. The District may change the Registrar or Paying Agent without notice to or consent of owners of the Bonds and the Certificates and the District may act in any such capacity.

Each Paying Agent shall be required to agree in writing that the Paying Agent will hold in trust for the benefit of the owners of the Bonds and the Certificates all moneys held by the Paying Agent for the payment of principal of and interest and any premium on the Bonds and payment of the interest on the Certificates.

The Registrar may appoint an authenticating agent acceptable to the District to authenticate Bonds and the Certificates. An authenticating agent may authenticate Bonds and Certificates whenever the Registrar may do so. Each reference in this resolution to authentication by the Registrar includes authentication by an authenticating agent acting on behalf and in the name of the Registrar and subject to the Registrar's direction.

The Registrar shall keep separate registers for the Bonds and the Certificates. One register shall show the registered owners of the Bonds and of transfer of the Bonds. One register shall show the owners of the Certificates and of transfer of such Certificates. When Bonds or Certificates are presented to the Registrar or a co-registrar with a request to register transfer, the Registrar shall register the transfer on the registration books if its requirements for transfer are met and shall authenticate and deliver one or more Bonds or Certificates registered in the name of the transferee of the same principal amount, maturity and rate of interest as the surrendered Bonds or Certificates. All transfer fees and costs shall be paid by the transferor. The "Record Date" for the Bonds and the Certificates shall be the close of business of the Registrar on the fifteenth day of the month preceding an interest payment date. The Registrar may, but shall not be required to, transfer or exchange any Bonds during the period commencing (i) on the Record Date to and including the respective Interest Payment Date or (ii) if applicable, on the date notice of redemption is given to the date of such redemption. The Registrar may, but shall not be required to, transfer or exchange any Bonds which have been selected or called for redemption. If the Registrar transfers or exchanges Bonds within the periods referred to above, interest on such Bonds shall be paid to the registered owner as if such transfer or exchange had not occurred.

The Registrar shall authenticate Bonds for original issue up to \$2,000,000 in aggregate principal amount and \$180,000 of Certificates upon the written request of the County Treasurer. The Registrar shall keep a register of the Bonds and of their transfer. The aggregate principal amount of Bonds outstanding at any time may not exceed that amount except for replacement Bonds as to which the requirements of the Registrar and the District are met. The registrar shall keep a register of the Certificates and of their transfer.

Section 12. Resolution a Contract. This resolution shall constitute a contract between the District and the owners of the Bonds and Certificates and shall not be repealed or amended in any manner which would impair, impede or lessen the rights of the registered owners of the Bonds or Certificates then outstanding. The performance by the Board of Supervisors of the obligations in this resolution and in the Bonds, Certificates and Purchase Agreement is hereby authorized and approved.

Section 13. Ratification of Actions and Revocation of Resolution. All actions of the officers and agents of the District, the County or the Board of Supervisors which conform to the purposes and intent of this resolution and which further the issuance and sale of the Bonds and Certificates as contemplated by this resolution whether heretofore or hereafter taken are hereby ratified, confirmed and approved. The proper officers and agents of the District and the County are hereby authorized and directed to do all such acts and things and to execute and deliver all such documents on behalf of the District as may be necessary to carry out the terms and intent of this resolution.

Section 14. Tax Covenant. In consideration of the purchase and acceptance of the Bonds and Certificates by the owners thereof and, as authorized by Arizona Revised Statutes, Title 35, Chapter 3, Article 7, and in consideration of retaining the exclusion of interest income on the Bonds (including interest represented by the Certificates) from gross income for federal income tax purposes, the County covenants with the owners

from time to time of the Bonds and Certificates to neither take nor fail to take any action which action or failure to act is within its power and authority and would result in interest income on the Bonds, including the Certificates, becoming subject to inclusion as gross income for federal income tax purposes under either laws existing on the date of issuance of the Bonds or such laws as they may be modified or amended.

The County agrees that it will comply with such requirements and will take any such actions as in the opinion of Gust Rosenfeld ("bond counsel") are necessary to prevent interest income on the Bonds (including the Certificates) becoming subject to inclusion in gross income for federal income tax purposes. Such requirements may include but are not limited to making further specific covenants; making truthful certifications and representations and giving necessary assurances; complying with all representations, covenants and assurances contained in certificates or agreements to be prepared by bond counsel; to pay to the United States of America any required amounts representing rebates of arbitrage profits relating to the Bonds and Certificates; filing forms, statements and supporting documents as may be required under the federal tax laws; limiting the term of and yield on investments made with moneys relating to the Bonds and Certificates; and limiting the use of the proceeds of the Bonds and Certificates and property financed thereby.

Section 16. Qualified Tax-Exempt Obligations. The County and the District have designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The County hereby certifies that it reasonably anticipates that the aggregate amount of tax-exempt obligations (as defined in Section 265 (b)(3)(B) of the Code which will be issued for or by the District in calendar year 1994 will not exceed \$10,000,000.

The aggregate face amount of all tax-exempt bonds or other tax-exempt obligations, as described in the Code, which will be issued by the District (including any subordinate entities thereof) during calendar year 1994 is not reasonably expected to exceed \$5,000,000.

Section 17. Severability. If any section, paragraph, subdivision, sentence, clause or phrase of this resolution is for any reason held to be illegal or unenforceable, such decision will not affect the validity of the remaining portions of this resolution. The Board of Supervisors hereby declares that it would have adopted this resolution and each and every other section, paragraph, subdivision, sentence, clause or phrase hereof and authorized the issuance of the Bonds and Certificates pursuant hereto irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this resolution may be held illegal, invalid or unenforceable.

PASSED, ADOPTED AND APPROVED by the Board of Supervisors of Navajo County, Arizona, on October 11, 1994.

Marlin J. Gillespie
Chairman

ATTEST:

Sharon J. Keens-Wright
Clerk

EXHIBIT A

(Face of Bond)

**KAYENTA UNIFIED SCHOOL DISTRICT No. 27
OF NAVAJO COUNTY, ARIZONA
SCHOOL IMPROVEMENT BOND
PROJECT OF 1992, SERIES B (1994)**

Number:

denomination:

\$ _____

Interest
Rate

Maturity
Date

Original
Issue Date

CUSIP

October 1, 1994

Registered Owner:

Principal Amount: _____ DOLLARS

KAYENTA UNIFIED SCHOOL DISTRICT NO. 27 OF NAVAJO COUNTY, ARIZONA, for value received, hereby promises to pay to the registered owner identified above, or registered assigns as provided herein, on the maturity date set forth above, the principal amount set forth above, and to pay interest on the unpaid principal amount at the interest rate shown above.

Bonds of the series of which this bond is one are not subject to call for redemption prior to maturity.

Interest is payable on January 1 and July 1 of each year commencing July 1, 1995, and will accrue from the most recent date to which interest has been paid, or, if no interest has been paid, from the original issue date set forth above. Interest will be computed on the basis of a year comprised of 360 days consisting of twelve (12) months of thirty (30) days each.

Principal and interest are payable in lawful money of the United States of America. Interest will be paid by check payable to the order of and mailed to the registered owner at the address shown on the registration books maintained by the registrar at the close of business on the record date as explained on the reverse hereof. Principal will be paid when due to the registered owner upon surrender of this bond for payment at the designated

office of the paying agent, which on the original issue date is the principal corporate trust office of Bank One, Arizona, NA, in Phoenix, Arizona.

See the reverse side of this bond for additional provisions.

It is hereby certified and recited that all conditions, acts and things required by the Constitution and laws of the State of Arizona to exist, to occur and to be performed precedent to and in the issuance of this bond exist, have occurred and have been performed and that the series of bonds of which this is one, together with all other indebtedness of the District, is within every debt and other limit prescribed by the Constitution and laws of the State of Arizona, and that due provision has been made for the levy and collection of a direct, annual, ad valorem tax upon all of the taxable property in the District for the payment of this bond and of the interest hereon as each becomes due.

The District has caused this bond to be executed by the President and attested by the Clerk of its Governing Board and countersigned by the Chairman of the Board of Supervisors of Navajo County, which signatures may be facsimile signatures.

This bond is not valid or binding upon the District without the manually affixed signature of an authorized representative of the registrar.

This bond is prohibited from being issued in coupon or bearer form without the consent of the Board of Supervisors of Navajo County, Arizona, and the occurrence of certain other conditions.

**KAYENTA UNIFIED SCHOOL DISTRICT
No. 27 OF NAVAJO COUNTY, ARIZONA**

(facsimile)

President, Governing Board

ATTEST:

(facsimile)

Clerk, Governing Board

COUNTERSIGNED:

(facsimile)

Chairman, Board of Supervisors

DATE OF AUTHENTICATION AND REGISTRATION: _____

AUTHENTICATION CERTIFICATE

This bond is one of the Kayenta Unified School District No. 27 of Navajo County, Arizona, School Improvement Bonds, Project of 1992, Series B (1994), described in the resolution mentioned on the reverse hereof.

BANK ONE, ARIZONA, NA,
as Registrar

Authorized Representative

(Form of Reverse Side of Bond)

This bond is one of a series of bonds in the aggregate principal amount of \$2,000,000 of like tenor except as to amount, maturity date, rate of interest and number, issued by the District to provide funds to make those school improvements approved by a majority vote of qualified electors voting at an election duly called and held in and for the District, pursuant to a resolution of the Board of Supervisors of Navajo County duly adopted prior to the issuance hereof and pursuant to the Constitution and laws of the State of Arizona relative to the issuance and sale of school district improvement bonds, and all amendments thereto, and all other laws of the State of Arizona thereunto enabling.

For the punctual payment of this bond and the interest hereon and for the levy and collection of ad valorem taxes sufficient for that purpose, the full faith and credit of the District are hereby irrevocably pledged.

The Bonds of this series are not subject to call for redemption prior to maturity.

This bond is transferable by the registered owner in person or by attorney duly authorized in writing at the designated office of the registrar upon surrender and cancellation of this bond, but only in the manner and subject to the limitation and upon payment of the charges provided in the authorizing resolution. Upon such transfer a new bond or bonds of the same aggregate principal amount, maturity and interest rate will be issued to the transferee in exchange. The registrar may require an owner, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes required by law. The District has chosen the fifteenth day of the month preceding an interest payment date as the record date for this issue of bonds.

Bonds of this series are issuable only in fully registered form in the denomination of \$5,000 each or integral multiples thereof.

The District, the registrar and the paying agent may treat the registered owner of this bond as the absolute owner for the purpose of receiving principal and interest and for all other purposes and none of them shall be affected by any notice to the contrary.

The following abbreviations, when used in the inscription on the face of this bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM-as tenants in common
TEN ENT-as tenants by the
entireties
JT TEN-as joint tenants with right of
survivorship and not as tenants
in common

UNIF GIFT/TRANS MIN ACT-
Custodian
(Cust) (Minor)
under Uniform Gifts/Transfers
to Minors Act
(State)

Additional abbreviations may also be used though not in list above

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers
unto

(Name and Address of Transferee)
the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints
_____, attorney to transfer the within bond on the
books kept for registration thereof, with full power of substitution in the premises.

Dated _____

Note: The signature(s) on this assignment must correspond with the name(s) as written on the face of the within registered bond in every particular without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

Firm or Bank

Authorized Signature
The signature(s) should be guaranteed by an eligible
guarantor institution pursuant to SEC Rule 17Ad-15

ALL FEES AND TRANSFER COSTS SHALL BE PAID BY THE TRANSFEROR

EXHIBIT B

**Certificate of Ownership of
"B" Supplemental Interest Payment
Kayenta Unified School District
No. 27 of Navajo County, Arizona
School Improvement Bonds
Project of 1992, Series B (1994)**

Certificate Payment
 Date

 CUSIP

Registered Owner:

SUPPLEMENTAL INTEREST AMOUNT: \$

Kayenta Unified School District No. 27 of Navajo County, Arizona (the "District"), for value received, hereby promises to pay to the Registered Owner identified above, or registered assigns as provided herein, on the Certificate Payment Date specified above, the Supplemental Interest Amount specified above. Such amount represents a portion of the supplemental interest payments authorized by the resolution of the Board of Supervisors of Navajo County, Arizona, authorizing the issuance of \$2,000,000 aggregate principal amount of Kayenta Unified School District No. 27 of Navajo County, Arizona, School Improvement Bonds, Project of 1992, Series B (1994) (the "Bonds"). The Supplemental Interest Amount represents a portion of the interest at the supplemental interest rate on the outstanding principal amount of the Bonds, for the period commencing on the January 1 or July 1, as applicable, immediately preceding the Certificate Payment Date specified above and ending on the day immediately preceding the Certificate Payment Date specified above. Interest will be paid when due to the registered owner upon surrender of this Certificate for payment at the designated office of the registrar and paying agent, which on the original issue date is the principal corporate trust office of Bank One, Arizona, NA, Phoenix, Arizona.

For the punctual payment of this Certificate and for the levy and collection of ad valorem taxes sufficient for that purpose, the full faith and credit of the District are hereby irrevocably pledged.

The owner of this Certificate shall have no claim to the payment of principal or non-supplemental interest on the Bonds unless such person shall also be the owner of such Bonds at such Bonds' maturity. This Certificate is not subject to payment prior to its scheduled Certificate Payment Date.

This Certificate is transferable by the registered owner in person or by attorney duly authorized in writing and at the designated office of the registrar upon surrender and cancellation of this Certificate. Upon such transfer a new Certificate or Certificates of the same Certificate Payment Date, Supplemental Interest Rate and aggregate Supplemental Interest Amount will be issued to the transferee in exchange. The registrar and paying agent may be changed without notice.

The District, the registrar and the paying agent may treat the registered owner of this Certificate as the absolute owner for the purpose of receiving payment hereof and for all other purposes and none of them shall be affected by any notice to the contrary.

The District has caused this Certificate to be executed by the President and attested by the Clerk of its Governing Board and countersigned by the Chairman of the Board of Supervisors of Navajo County, Arizona, which signatures may be facsimile signatures.

This Certificate is not valid or binding upon the District without the manually affixed signature of an authorized representative of the registrar.

This Certificate is prohibited from being issued in bearer form without the consent of the Board of Supervisors of Navajo County, Arizona, and the occurrence of certain other conditions.

**KAYENTA UNIFIED SCHOOL DISTRICT
NO. 27 OF NAVAJO COUNTY, ARIZONA**

(facsimile)
President, Governing Board

ATTEST:

(facsimile)
Clerk, Governing Board

COUNTERSIGNED:

(facsimile)
Chairman, Board of Supervisors

DATE OF AUTHENTICATION AND REGISTRATION: _____

AUTHENTICATION CERTIFICATE

This Certificate of Ownership of Supplemental Interest Payment is one of the certificates authorized to be issued in conjunction with the issuance of Kayenta Unified School District No. 27 of Navajo County, Arizona School Improvement Bonds, Project of 1992, Series B (1994).

BANK ONE, ARIZONA, NA, as Registrar

Authorized Representative

[INSERT LEGAL OPINION]

The following abbreviations, when used in the inscription on the face of this certificate shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM-as tenants in common

TEN ENT-as tenants by the
entireties

JT TEN-as joint tenants with
right of survivorship
and not as tenants in
common

UNIF GIFT/TRANS MIN ACT-

Custodian

(Cust) (Minor)

under Uniform Gifts/Transfers
to Minors Act

(State)

Additional abbreviations may also be used though not in list above

(Form of Assignment)

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Name and Address of Transferee)

the within certificate and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney to transfer the

within certificate on the books kept for registration thereof, with full power of substitution in the premises.

Dated _____

Note: The signature(s) on this assignment must correspond with the name(s) as written on the face of the within registered certificate in every particular without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

Firm or Bank

Authorized Signature

The signature(s) should be guaranteed by an eligible guarantor institution pursuant to SEC Rule 17Ad-15

ALL FEES AND TRANSFER COSTS SHALL BE PAID BY THE TRANSFEROR